Army Enterprise Integration Oversight Office

(AEIOO)

Transformation Governance Benchmarking

31 August 2004

1 Introduction and Purpose

The Department of Defense (DoD) is currently undergoing the most comprehensive transformation effort in its history. This document compares the Army's transformation governance model and approach with those of the Navy, Air Force and German Armed Forces (Bundeswehr). The focus of the analysis is to develop an understanding of the similarities and differences between the transformation visions and how each Service is organized to support its vision. From this analysis, a transformation governance model may be identified for adoption by the Army.

2 Transformation Vision

DoD is transforming to prepare for the future – a new strategic reality where past assumptions are no longer valid and protracted conflict is the norm. The Department must transform not only its capabilities, but also the way it thinks, trains, exercises and fights.

The DoD Transformation Planning Guidance published in April 2003, communicates the Department's strategy for transformation and assigns senior leader roles and responsibilities to ensure implementation of the strategy. The planning guidance assigns the Secretaries of the Military Departments and the Service Chiefs of Staff the responsibility of developing specific concepts for supporting operations and core competencies. They will oversee Service experimentation, modify supporting concepts accordingly, and build transformation roadmaps to achieve transformational capabilities to enable those concepts.

The change in the global threat environment also affects our Allies. As a case in point, the German Bundeswehr has embarked on a transformation with similar goals to those of DoD: lighter, faster, more deployable forces that are networked, interdependent and supported by a more effective and efficient generating force.

2.1 Army

The Army's transformation guidance is contained in the Army Transformation Roadmap[1] (ATR) and Army Campaign Plan[2] (ACP). The ATR identifies a transformation strategy with three components: Transformed Culture, Transformed Processes and Transformed Capabilities. The ultimate goal of Army transformation is to meet the needs of future Joint Forces Commanders by providing a campaign quality Army with joint and expeditionary capabilities. 'The ACP directs the planning, preparation, and execution of Army operations and Army transformation within the context of ongoing strategic commitments including the Global War On Terrorism (GWOT). The ACP provides direction for detailed planning, preparation, and execution of a full range of tasks necessary to create and sustain a campaign-capable joint and expeditionary Army.'

The ACP identifies eight campaign objectives that will enable the Army to achieve its core competencies[3]. Those objectives include 'Build the Future Force' and 'Adapt the Institutional Army'. From the campaign objectives, major objectives and tasks have been assigned to Major Army Command (MACOM) commanders and Headquarters Department of the Army (HQDA) Staff principals.

2.2 Navy

The Naval Transformation Roadmap[4] (NTR) provides the Navy's transformation guidance. The vision for the future Navy – Marine Corps team is 'A networked, jointly integrated, sea-based power projection force, assuring coalition and joint force access and protecting America's interests anywhere in the world'. Navy transformation is focused on transformational capabilities organized under four Naval Capability Pillars: Sea Strike (offensive power), Sea Shield (defensive capabilities) Sea Base (mobility and sustainment) and

[1] Army Transformation Roadmap, Second Update, August 2004

[2] Army Campaign Plan, August 2004

[3] The Army's core competencies are: 1) Train and equip soldiers and grow leaders. 2) Provide relevant and ready land power capabilities to the Combatant Commander and the Joint Team. (Army Campaign Plan)

[4] Naval Transformation Roadmap, First Update, February 2003

FORCEnet[5] (operational construct and architectural framework). The NTR is supported by three strategies focused on specific areas of transformation. The three strategies are: Sea Power 21, Sea Warrior and Marine Corps Strategy 21.

2.3 Air Force

The Air Force Transformation Strategy is embodied in the Air Force Transformation Flight Plan[6] (TFP). The plan is based on the following goals: 'enhance joint warfighting; aggressively pursue innovation; create flexible, agile organizations; shift from threat- and platform-centric planning and programming to capabilities and effects-based planning and programming; develop "transformational" capabilities; and break out of industrial age business processes'. The core competencies to be leveraged in the execution of the Air Force Transformation Strategy are: 'Developing Airmen, Integrating Operations and Technology-to-Warfighting'.

The follow-on to the TFP is the Operational Support Modernization Program Flight Plan (OSFP). It identifies critical processes and associated programs, along with proposed actions and milestones.

2.4 German Bundeswehr

A coalition partner, the German Army is facing many of the same pressures faced by the DoD Services. German defense spending is carefully scrutinized and the scope of the Bundeswehr's operating environment has been expanded to include North Atlantic Treaty Organization (NATO) operations outside Germany. The Bundeswehr has adopted a strategy of reengineering its processes around an SAP software solution. One example of this is the use of disconnected system functionality to track supplies in the field and then synchronize data with the master database when communications are available. The overall Enterprise Resource Planning (ERP) strategy includes establishing a partnership with SAP to develop a defense industry SAP solution.

2.5 Transformation Vision Conclusions

The approaches of the Services are all similar, with high-level roadmaps supported by more detailed planning documents. While the Army and Navy transformation roadmaps address the need for transformation of business processes, only the Air Force TFP specifically identifies the Business Management Modernization Program (BMMP) as a guide for business transformation. All the transformation strategy documents address the paramount need to plan and operate as a Joint Team.

3 Organization

DoD has organized for transformation around a concept of Mission Areas and Domains, with each Mission Area comprised of multiple Domains. The four Mission Areas and their designated leads are identified in Table 1.

Table 1 - DoD Mission Areas and Leads

Mission Area	Mission Area Lead
Warfighter	Chairman of the Joint Chiefs of Staff
DoD Portion of National Intelligence	Under Secretary of Defense (Intelligence)
Business	Under Secretary of Defense (Comptroller) / Chief Financial Officer
Enterprise Information Environment	Assistant Secretary of Defense (Networks and Information Integration) / Chief Information Officer

[5] FORCEnet is the [Navy] architecture of warriors, weapons, sensors, networks, decision aids and supporting systems integrated into a highly adaptive, human-centric comprehensive maritime system that operates from seabed to space, from sea to land. (Naval Transformation Roadmap)

[6] Air Force Transformation Flight Plan, Second Update, February 2003

The Warfighter Mission Area (WMA) is the strategic driver. The Intelligence, Business and Enterprise Information Environment Mission Areas support and enable the WMA. The Business Mission Area (BMA) is undergoing its own transformation to better support the WMA. At OSD, that effort is led by the BMMP. BMMP's slogan is 'arming the warfighter through business improvement'.

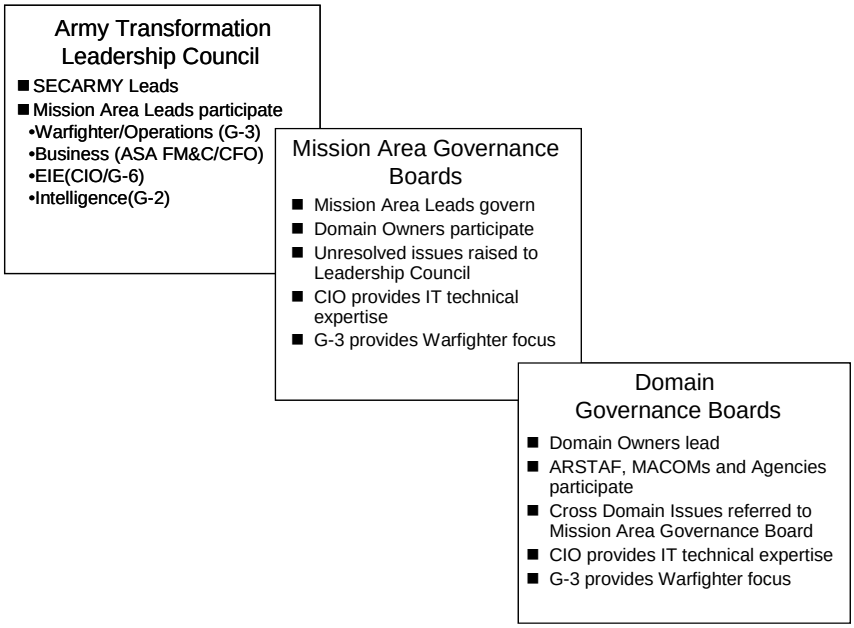
3.1 Army

The Army has not issued formal guidance organizing transformation efforts around the DoD Mission Area and Domain concept. While de facto domains have emerged, in some cases it is unclear which MACOMs and Field Operating Agencies (FOAs) align with which domains.

The Army Enterprise Integration Oversight Office (AEIOO) was established by the Secretary of the Army (SECARMY) in April 2003 to 'provide top-level policy, guidance, and direction in the definition, design, implementation, and integration of enterprise solutions across the Army and between DoD, Army and other external organizations' and 'support Army business transformation objectives for the operational and institutional Army, across all functional domains, through enterprise integration'.

AEIOO is the proponent for a draft SECARMY Memorandum that establishes the Mission Areas and Domains as well as the transformation governance model. The proposed Memorandum establishes domain owners in the Army Secretariat and transformation governance boards at the Army, Mission Area and Domain levels as shown in Figure 1. AEIOO is also the proponent for a draft Army Regulation that identifies transformation roles and responsibilities of the HQDA Secretariat and Staff.

Figure 1 - Proposed Army Transformation Governance Model



3.2 Navy

The supporting organization for Navy transformation is based on the Navy Transformation Process and its four major components:

- People and Culture

  The Human Resources community leads the policy and program development to recruit, train and retain personnel. The Human Resources Board of Directors (HRBOD), chaired by the Chief of Naval Personnel, works to close any human resource gaps existing in the Navy.

- Naval Support to Joint Concept Development & Experimentation

This component is guided by Commander, Fleet Forces Command (CFFC) and coordinated by Navy Warfare Development Command (NWDC).

- Science and Technology

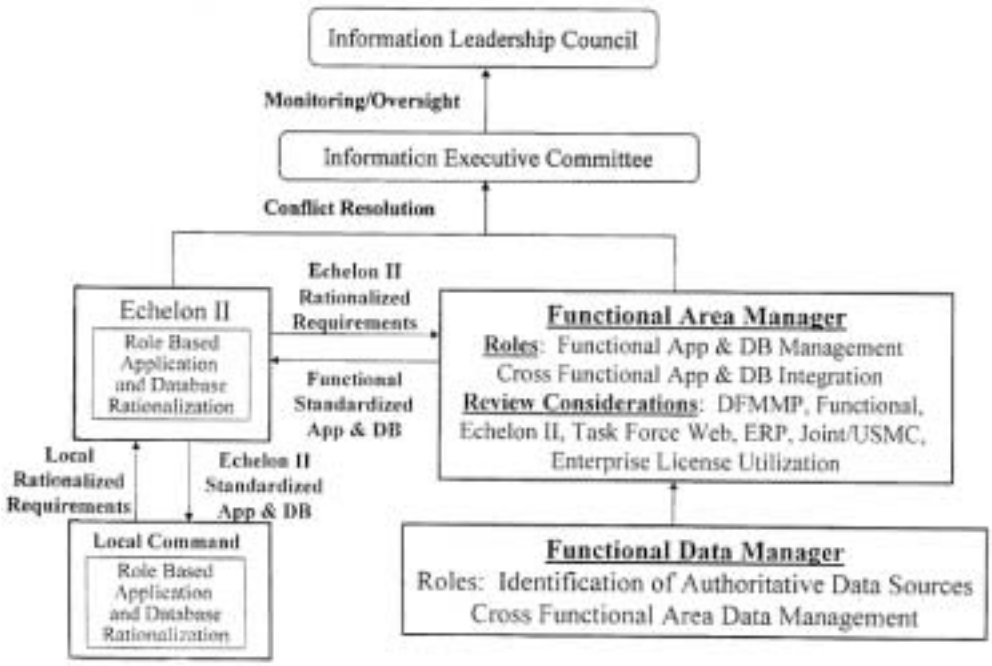
  The Office of Naval Research (ONR) is charged with scientific research and technology development, and the Future Naval Capabilities (FNC) program is designed to facilitate transition of transformational technology capabilities to the Fleet. The Technology Oversight Group (TOG) provides oversight, integration and investment balance functions across all FNCs. The TOG was established in 2002 by the Science and Technology Corporate Board, meets several times a year, and is tasked with identifying cross-FNC issues and resolving these issues by adjusting individual FNCs.

- Sea Enterprise (Maximizing Business Efficiencies)

  This component is led by the Sea Enterprise Board of Directors (SE BOD) and the Functional Area Managers (FAMs). The SE BOD – established in March 2003 – is co-chaired by the VCNO and ASN(RDA) and comprised of key elements of the headquarters staff, major systems commands, and the Fleet. The SE BOD is a Navy body to which the Marine Corps is an invited participant. The FAMs were established by an Under Secretary of the Navy Memorandum in May 2002. Each of the 24 FAMs has a responsible organization and those organizations are either Assistant Secretariat or Deputy Chief of Naval Operations (DCNO) level. A set of primary FAMs have been designated to coordinate with the Office of the Secretary of Defense (OSD) BMMP domains.

  FAMs are arbitrated by an Information Executive Committee (IEC) and overseen by a FAM Council (formerly Information Leadership Council), as shown in Figure 2.The membership of the IEC includes: Chief of Naval Operations (CNO), Commandant of the Marine Corps (CMC), Department of the Navy Chief Information Officer (DoN CIO) and the Assistant Secretary of the Navy, Research, Development and Acquisition (ASNRDA). The FAM Council is chaired by the Director of Navy Staff (DNS) and involves mostly Navy FAMs at the Senior Executive Service and General Officer level.

Figure 2 – DON Applications and Database Management Framework



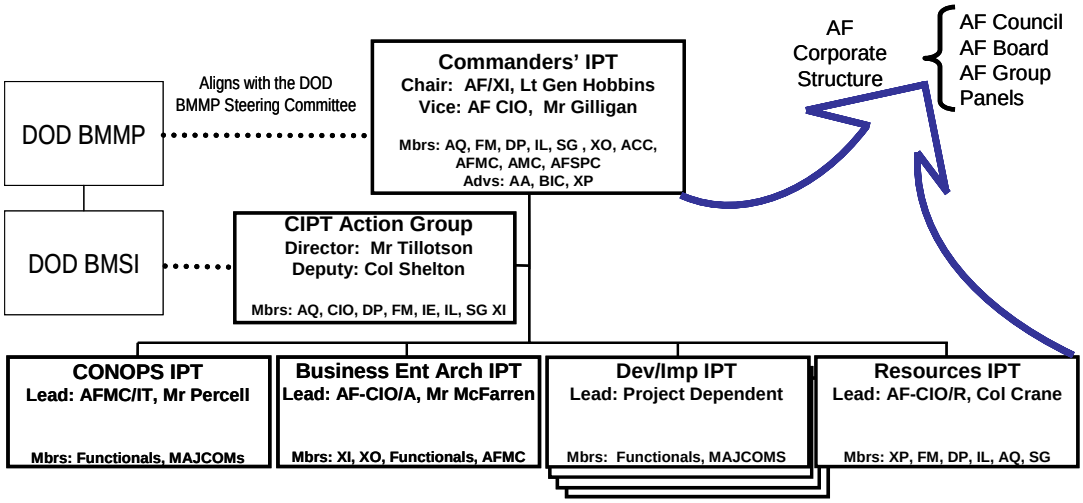
3.3 Air Force

On 20 January 2004 the SECAF and CSAF signed out a memorandum establishing the Air Force Operational Support Modernization Program (AFOSMP). Leadership for the AFOSMP is provided by the Commanders' Integrated Product Team (CIPT), chaired by the DCS Warfighting Integration (AF/XI) and vice chaired by the AF CIO. The CIPT is an overarching IPT with vetting and approval authority, which will 'guide, rationalize, coordinate, and integrate a mosaic of existing and future Air Force-wide functional transformation initiatives in support of the AFOSMP'. The overall AF transformation governance structure is shown in Figure 3.

Membership on the CIPT includes 'AF Business Domain Owners, HQ AFMC and appropriate Major Commands involved in Concept of Operations (CONOPS) development'. The CIPT will charter additional IPTs as necessary and ensure that AF efforts remain aligned and consistent with DoD's business transformation (BMMP) activities. Any issues that cannot be resolved by the CIPT are referred to the SECAF and CSAF for resolution. The CIPT Action Group (CAG) 'serves as the Air Force's integrating and coordinating agent to guide the Air Force's business modernization efforts; ensure effective operations of the CIPT; and provide for seamless integration across subordinate IPT activities'.

The Assistant Secretary of the Air Force for Financial Management (ASAF/FM) 'in addition to serving as the process owner for the financial domain, will be the primary senior representative and spokesperson to the DoD BMMP Steering Committees and provide a critical linkage between AFOSMP and the BMMP.' Additionally, the 'AFMC/CC is the lead to develop the operational support (business) CONOPS that expresses how [AF] processes and the systems that enable them are linked to support the warfighter.'

Figure 3 - Air Force Trasnformation Governance



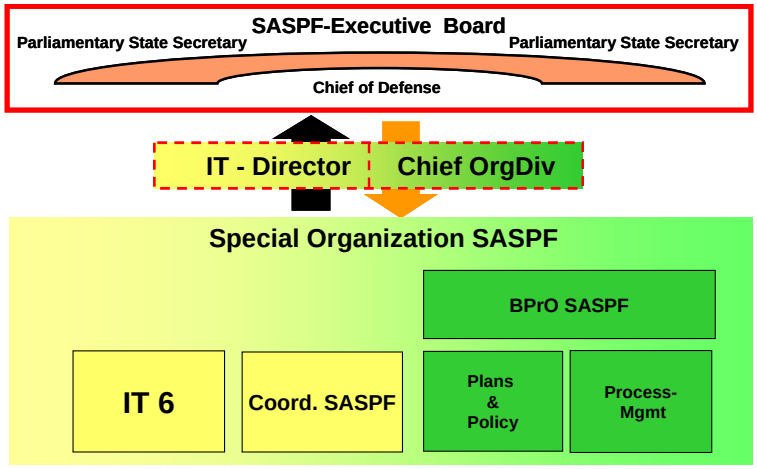
3.4 German Bundeswehr

The Bundeswehr has established a governance structure – led by an executive board – for its Standard Application Software Product Family (SASPF) program. The structure is illustrated in Figure 4. The executive board is chaired by the Chief of Defense (Ministry of Defense level) and its membership includes the two State Secretaries. The Information Technology (IT) Director and Chief of Organization Division report to the executive board and are supported by a special organization including IT, process and policy personnel.

The SASPF program relies on process sponsors (similar to OSD domains) to complete process models that span the entire Bundeswehr user community. The user community is made up of the military departments. The project teams are comprised of personnel from the customer community (military departments) and the

IT Office. A three-phase approach has been established for the program: Concept, Realization and Implementation.

Figure 4 - Bundeswehr Governance Structure



3.5 Organization Conclusions

Although the Air Force is the only Service that addresses BMMP in their transformation roadmap, all the Services have established organizations that align with BMMP domains. The Navy established its FAM structure before BMMP, and later identified a superset of FAMs to align with the BMMP domains. A common theme among the organizations is that the CIO is in a supporting and not a leading transformation role. This is consistent with the idea that transformation is guided by organization mission and vision, and supported by technology. One contrast between the Army and Navy and Air Force is that the proposed Army governance structure includes governance boards and not working groups. Both the Navy and Air Force structures includes groups that have specific actions and tasks to complete as part of the transformation effort, while the Army has given those responsibilities to existing Army Staff and Secretariat positions.

4 Responsibility and Authority

4.1 Army

The Deputy Chief of Staff (DCS), Army G-3 defines capability requirements in the ACP. AEIOO provides top-level policy and guidance for Army Transformation, but does not have budget authority and does not define capability requirements. Policy is in the form of the proposed SECARMY Memorandum and Army Regulation, while guidance is in the form of a proposed DA Pamphlet, Implementation of Army Enterprise Transformation. The draft Pamphlet describes the five-phase framework the Army will use to plan and execute its transformation.

Budget authority in the Army lies with the SECARMY in consultation with the Executive Office of the Headquarters (EOH). The EOH is comprised of the Army Chief of Staff (CSA), Under Secretary of the Army (USA) and Army Vice Chief of Staff (VCSA) and is also known as the Army Resource Board (ARB). The Army uses a capabilities based planning process that generates guidance documents used during the Program, Budget and Execution phases of PPBE. The EOH/ARB makes resource related decisions based on recommendations received from the Senior Review Group and the Planning, Programming and Budgeting Committee (PPBC), on priorities, funding and requirements levels. These proposals are originated by six Program Evaluation Groups (PEGs) and Appropriation Sponsors. The PEGs are organized by Title X functions: Organizing, Manning, Equipping, Training, Sustaining, and Installations. Based on these decisions the Army builds a combined Program Objective Memorandum (POM)/Budget Estimate Submission (BES). After a combined Program Budget Review by OSD and OMB

the Army builds the President's Budget. After the Appropriation and Authorization acts have been signed funding is distributed to the various Army Commands and organizations for execution based on Appropriation Funding Letters and Funding Authorization Documents (FADs).

4.2 Navy

The CNO issues policy and guidance related to transformation. Transformational capability requirements are defined in the Naval Transformation Roadmap and follow-on strategy documents such as Sea Power 21. FAMs 'are responsible and accountable for overseeing the reduction and consolidation of IT applications and databases; have the authority to direct migration, consolidation, or retirement of applications and databases; shall develop and manage IT applications and database portfolios'. As resource sponsors, FAMs submit budget/funding recommendations to N8 (Deputy Chief of Naval Operations, Resources, Requirements and Assessments), which does assessment and budget formulation for the budget submission by CNO. The CNO has the ultimate budget authority.

4.3 Air Force

The CIPT can 'make key decisions related to issues and priorities regarding enterprise-wide operational support modernization; recommend changes to policy/guidance to govern Air Force OSMP efforts; and prioritize operational support areas in terms of key capabilities required by Commanders at all echelons through the Capabilities Review and Risk Assessment (CRRA) process'. Budget authority lies with the Air Force Council (AFC) – the body at the top of the Air Force Corporate Structure – which is chaired by the Vice CSAF and comprised of DCS, Assistant Secretariat and selected Directorate level members. Some members of the AFC are also members of the CIPT. Additionally, CIPT initiatives are backed by the CIO Management Board, which is comprised of senior members of the Secretariat and Air Staff.

4.4 German Bundeswehr

All IT budget authority for the Bundeswehr lies with the State Secretaries. The Bundeswehr makes requests for funding and those requests must be reviewed and approved by the State Secretaries.

4.5 Responsibility and Authority Conclusions

The authority to issue policy has been given to AEIOO, while in the Navy and Air Force the primary transformation structures may only recommend policy changes. The Air Force has a somewhat unique model in the CIPT because it can actually charter additional IPTs to achieve its mission. None of the other services have given their transformation structures that authority. In all of the Services, ultimate budget authority is held at the highest levels.

5 Enterprise Architecture

The following excerpt from a Government Accountability Office (GAO) report on enterprise architecture use in the federal government explains the relationship between transformation and enterprise architecture.

> *Effectively and efficiently designing and erecting a modern building requires construction blueprints that define, among other things, the building's features, functions, and systems, including applicable building codes, rules, and standards, as well as the interrelationships among these components. Effectively and efficiently transforming an entity's operational and technology environments also requires a blueprint—commonly referred to as an enterprise architecture. Such an architecture includes descriptive models (defined in both business and technology terms) to aid decision makers in understanding the complexities around how the entity operates today and how it wants to operate in the future. It also includes a roadmap for transitioning to this future operational state.*[7]

[7] GAO-02-6, Enterprise Architecture Use across the Federal Government Can Be Improved, February 2002

5.1 Army, Navy and Air Force

In May 2001, GAO recommended that DoD develop an enterprise architecture to help transform its operations and guide investment decisions. While OSD has worked to complete the Global Information Grid (GIG) architecture and the Business Enterprise Architecture (BEA), the Services have approached enterprise architecture with varying degrees of sponsorship, commitment, resources and success. The Navy, for example, is creating a FORCEnet architecture group with business and technology representatives from the FAMs. The Army has a centralized architecture group, but that group is focused primarily on technology architectures and not on business architectures or the linkage between the BMA and WMA. The Air Force has an Enterprise Architecture Council and a Business Enterprise Architecture (BEA) IPT with representatives from both the business and technology communities. The AF BEA was first published in 2003, and is being updated to maintain alignment with the BMMP BEA.

5.2 German Bundeswehr

The Bundeswehr has established an architecture organization focused on aligning processes with SAP functions to optimize the results of its reengineering project. One of the telling signs of the Bundeswehr's approach to architecture is that the team has a 3:1 ratio of functional to technical team members.

5.3 Enterprise Architecture Conclusions

The primary differentiator in enterprise architecture appears to be the type of participation in central architecture groups. The Bundeswehr leans heavily toward the functional/business side, while the Army leans heavily toward the technical side. The Navy and Air Force are somewhere in the middle, with a more balanced distribution of functional and technical resources. None of the Services currently have an enterprise architecture complete with As-Is, To-Be and Transition Plan products. Architecture collaboration among the Services is in its early stages.

6 Overall Conclusions

While the Army has established transformation objectives and tasks in the ACP, it has not formally assigned domain owners and does not have a BMA Lead or an Operational Architect for the institutional Army. There is no clear linkage between the PEGs performing budgeting and the domains responsible for transformation initiatives. Additionally, sponsorship for business transformation is lacking.

The Navy's overall approach to transformation is warfighter-centric, while its approach to business transformation is information technology-centric. Sponsorship for the FAMs is strong, with the FAM Council chaired by the DNS. The lack of a strong central architecture group and the fact that transformation guidance has not been updated in the last two years may hinder Naval transformation.

The Air Force has a good basis for collaboration between Warfighting Integration and the enabling technologies managed by the AF CIO. They have also identified a BMA Lead (AF/XI) and an Operational Architect (AFMC/CC). Sponsorship is strong at the highest levels (SECAF and CSAF).

Overall findings are summarized in Table 2.

Table 2 - Summary of Findings

	Army	Navy	Air Force	Bundeswehr
Vision	Army Transformation Roadmap and Army Campaign Plan. Warfighter focus but does address business; specific objectives and tasks assigned.	Naval Transformation Roadmap and supporting strategy documents. Warfighter focus but does address business; based on four capability pillars.	Air Force Transformation Flight Plan – only vision document to address BMMP. Based on six focus areas and three core competencies.	
Organization	Still to be established – proposed to model OSD Mission Areas and Domains.	FAMs – focus on IT consolidation with primary FAMs to coordinate with OSD Domains.	CIPT is primary structure with authority to establish supporting IPTs as necessary.	Executive Board Chair sits at MOD level supported by IT Director and Chief of Organization Division.
Responsibility and Authority	AEIOO can establish policy but does not have budget authority. Proposed AR identifies responsibilities. Resource groups (PEGs) are not aligned with domains.	FAMs submit budget/funding recommendations to N8, which performs assessment and formulation for submission by CNO.	CIPT can charter IPTs as necessary and reports to AF Council, which makes ultimate budget decisions.	All IT budget authority for the Bundeswehr lies with the State Secretaries.
Enterprise Architecture	Central group but focused on technology architecture.	Central group being established with representatives from FAMs.	EA Council and BEA IPT with business and IT representation.	Architecture organization focused on aligning processes with SAP functions. Team has a 3:1 ratio of functional to technical team members.